

Sample Budget Narrative

**[Name of Prime NGO]
[Name of Country/Program]
DETAILED BUDGET
12-Month Period (mm/dd/yyyy – mm/dd/yyyy)**

1. Salaries

In order to achieve the program's goals and objectives, it is anticipated that the following staffing will be needed:

(a) Expatriate Field Salaries

- 1 full-time Program Manager whose time is estimated to be evenly divided between Objective #1 (Health) and Objective #2 (Wat/San).
- 1 full-time Program Officer whose time is estimated to be evenly divided between both objectives.
- 1 full-time Medical Officer whose time will be fully devoted to Objective #1 (Health).
- 1 full-time Wat/San Officer whose time will be fully devoted to Objective #2 (Wat/San).

[Name of Prime NGO] also operates a Country Office in [Name of Country], located in [Capital City], which will support the project. Specifically, it is estimated that the following individuals from the Country Office will expend the following time (Full-Time Equivalent [FTE]) in support of the project:

- Country Director – 1 mo/yr ÷ 12 mo = 0.08 FTE, which will be evenly divided between both objectives.
- Country Financial Officer – 0.50 mo/yr ÷ 12 mo = 0.04 FTE, which will be evenly divided between both objectives.

These FTEs are used with respect to pro-rate the Country Director's and Country Financial Officer's non-labor costs (e.g., travel, allowances, etc.).

All salaries are in accordance with [Name of Prime NGO]'s regular practices and policies which are consistently applied to all donors/programs.

(b) Local Staff

The following local staffing is anticipated:

- 1 full-time Deputy Program Manager whose time is estimated to be evenly divided between both objectives.
- 5 full-time nurses whose time is fully devoted to Objective #1 (Health).

- 4 full-time Wat/San Engineers whose time is fully devoted to Objective #2 (Wat/San).
- 1 half-time Project Accountant whose time is estimated to be evenly divided between both objectives.
- 1 third-time (4 months/year) logistics specialist whose time is estimated to be evenly divided between both objectives.
- 5 full-time warehouse staff whose time is estimated to be evenly divided between both objectives.
- 5 half-time staff from the Ministry of Health (Objective #1 – Health) and 5 half-time staff from the Ministry of Environment (Objective #2 – Wat/San). These host government employees will be seconded to by the respective Ministries and paid by the project. Under USAID Policy, these are not considered salary supplements because they do not augment these host government employees' base salary or premiums, overtime, extra payments, or incentive payments, for which they would qualify under host government rules or practice for performance of their regular duties or for work performed under regular hours. The arrangement is analogous to a subcontract with each Ministry whereby the Ministry acts as a service provider (subcontractor) and is reimbursed for the services provided. Compensation to these host government employees will be in accordance with each Ministry's normal policies and practices; hence, no augmentation of compensation or salary supplementation. These Ministry staff will provide their services during regular hours, but their work is not part of their regular duties at each Ministry.
- 4 full-time Drivers whose time is estimated to be evenly divided between both objectives.

Salary rates are consistent with local norms and customs.

(c) Headquarters Staff

The following headquarters staff will support the project in the estimated amounts set forth below:

- 1 Project Coordinator whose time is estimated to be 2 months (1 month for each objective). 1 month (0.50 months for each objective) will be expended in headquarters, and 1 month (0.50 months for each objective) will be spent in the field. The Project Coordinator will coordinate between headquarters and the field.
- 1 Technical Writer/Editor who is responsible for reporting, and whose time is estimated to be 1 month (0.50 months for each objective), all of which will be spent in headquarters.
- 1 Protection Specialist or Security Specialist whose time is estimated to be 1 month – all expended in the field – or 0.50 months for each objective. The specialist will assist in the development of a plan for protecting the program beneficiaries or a detailed security plan (given the insecure environment).
- 1 Monitoring and Evaluation (M&E) Specialist whose time is estimated to be 0.50 months (0.25 months for each objective), all expended in the field. The M&E Specialist is

responsible for assisting in the development of the Performance Monitoring Plan, and, to the extent required, the collection of baseline performance data.

All salaries are in accordance with [Name of Prime NGO]'s practices and policies which are consistently applied to all donors/programs.

Direct expatriate salaries exclude paid absence time, the costs of which are recovered under "Fringe Benefits," below.

2. Fringe Benefits

(a) Expatriate Staff

Fringe Benefits equivalent to 35% of Expatriate (Field and Headquarters) salaries are based on the following:

<u>Benefit</u>	<u>Percent of Salary</u>
Social Security (Employer Contribution)	7.65
Workers' Compensation	3.35
Health Insurance	10.00
Life Insurance	1.00
Retirement	3.00
Paid Absence Factor*	<u>10.00</u>
Total	<u>35.00</u>

The paid absence factor is based on vacation and sick leave of 26 days/year, in accordance with [Name of Prime NGO]'s policies and practices, which are consistently applied to all programs/donors. It is calculated by dividing 26 paid absence days by a standard 260-day work-year.

(b) Local Staff

Fringe benefits for Local Staff equivalent to 25% of salaries are required by local labor laws and customs as follows:

<u>Benefit</u>	<u>Percent of Salary</u>
Medical Scheme	10.000
Pension	10.000
13 th Month	0.083
Food Allowance	<u>4.917</u>
Total	<u>25.000</u>

3. Non-Employee Labor

In order to achieve the program's goals and objectives, it is expected that the following supplemental labor will be required:

- 2 Doctors for 3 months each, all in the field, whose time will be dedicated to Objective #1 (Health). These are volunteers who will not be compensated, but the value of their time (\$6,000/month) will be considered an in-kind contribution in accordance with the relevant regulations governing cost-sharing. Their travel and related costs will be borne by OFDA.
- 1 Hydrologist for 2 months, all in the field, whose time will be dedicated to Objective #2 (Wat/San).
- 200 Laborers under a Cash-for-Work (CFW) program for Objective #2 (Wat/San), at the rate of \$10/day, for 30 days each. The laborers will prepare the sites and construct/rehabilitate/renovate boreholes and latrines.

4. Travel and Transport

(a) International Air Travel (RT)

The following international air travel is “identified” (as defined in the standard provision entitled “International Air Travel and Transportation”) as being needed in support of the program:

<u>Purpose</u>	<u>No. of Trips</u>	<u>No. of Travelers/Trip</u>	<u>Destination</u>
(a) <u>Home Leave</u>	*	1	North America/Europe – Host Country

* No. of Trips

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Program Manager	0.50	0.50	1.00
Program Officer	0.50	0.50	1.00
Medical Officer	1.00	0.00	1.00
Wat/San Officer	0.00	1.00	1.00
Country Director (.08 FTE)	0.04	0.04	0.08
Country Financial Officer (.04 FTE)	0.02	0.02	0.04
Subtotal – R&R	<u>2.06</u>	<u>2.06</u>	<u>4.12</u>

<u>Purpose</u>	<u>No. of Trips</u>	<u>No. of Travelers/Trip</u>	<u>Destination</u>
TDY	*	1	North America/Europe

* No. of Trips

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Project Coordinator (HQ) Protection/Security Specialist (HQ) M&E Specialist	0.50	0.50	1.00
	0.50	0.50	1.00

(HQ)	0.50	0.50	1.00
Doctors (2 x 3 RT)	6.00	0.00	6.00
Hydrologist	0.00	2.00	2.00
Subtotal - TDY	7.50	3.50	11.00
Total – International			
Air Travel	<u>9.56</u>	<u>5.56</u>	<u>15.12</u>

An average RT airfare of \$3,000 has been used for estimating and budgeting purposes based on quoted airfares.

(b) International Per Diem (Days)

In conjunction with each international round-trip, it is estimated that there will be 4 days of in-transit per diem (2 days to-post, and 2 days from-post). Applying this to the international round-trips identified above yields the following number of per diem days:

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Program Manager (4 days/RT x 1.00 RT)	2.00	2.00	4.00
Program Officer (4 days/RT x 1 RT)	2.00	2.00	4.00
Medical Officer (4 days/RT x 1 RT)	4.00	0.00	4.00
Wat/San Officer (4 days/RT x 1 RT)	0.00	4.00	4.00
Country Director (4 days/RT x 0.08 RT)	0.16	0.16	0.32
Country Financial Officer (4 days/RT x 0.04 RT)	0.08	0.08	0.16
Project Coordinator (HQ) (4 days/RT x 1 RT)	2.00	2.00	4.00
Protection/Security Specialist (4 days/RT x 1 RT)	2.00	2.00	4.00
M&E Specialist (4 days/RT x 1 RT)	2.00	2.00	4.00
Doctors (4 days/RT x 2 doctors x 3 RT)	24.00	0.00	24.00
Hydrologist (4 days/RT x 2 RT)	<u>0.00</u>	<u>8.00</u>	<u>8.00</u>
Total – International Per Diem Days	<u>38.24</u>	<u>22.24</u>	<u>60.48</u>

An average per diem rate of \$200 has been used for estimating and budgeting purposes based on previous experience and [Name of Prime NGO]'s established policy which is consistently applied to all projects/donors.

(c) Regional Air Travel (RT)

Under [Name of Prime NGO]'s established policy which is consistently applied to all donors/programs, expatriate employees are entitled to 1 RT every quarter to [name of location] for the purpose of R&R and/or consultations with [Name of Prime NGO]'s regional office. Since regional air travel is international air travel, the following regional air travel is "identified" (as described in the standard provision entitled "International Air Travel and Transportation"):

<u>Purpose</u>	<u>No. of Trips</u>	<u>No. of Travelers/Trip</u>	<u>Destination</u>
R&R and/or Consultations	*	1	[Designated R&R Point and/or Regional Office]

* No. of Trips

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Program Manager	2.00	2.00	4.00
Program Officer	2.00	2.00	4.00
Medical Officer	4.00	0.00	4.00
Wat/San Officer	0.00	4.00	4.00
Country Director (0.08 RT)	0.16	0.16	0.32
Country Financial Officer (0.04 RT)	<u>0.08</u>	<u>0.08</u>	<u>0.16</u>
Total – Regional Air Travel	<u>8.24</u>	<u>8.24</u>	<u>16.48</u>

An average RT airfare of \$500 has been used for estimating and budgeting purposes based on quoted airfares.

(d) Regional Per Diem (Days)

In conjunction with each regional round-trip, it is estimated that there will be 3 days of consultations with [Name of Prime NGO]'s regional office in [name of location]. Applying this to the regional round-trips identified above yields the following number of per diem days:

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Program Manager	4 x 1.50 days = 6.00	4 x 1.50 days = 6.00	4 x 3.00 days = 12.00
Program Officer	4 x 1.50 days = 6.00	4 x 1.50 days = 6.00	4 x 3.00 days = 12.00
Medical Officer	4 x 3.00 days = 12.00	0.00	4 x 3.00 days = 12.00
Wat/San Officer	0.00	4 x 3 days = 12	4 x 3.00 days = 12.00
Country Director	4 x 1.50 days x 0.08 FTE = 0.48	4 x 1.50 days x 0.08 FTE = 0.48	4 x 3.00 days x 0.08 FTE = 0.96
Country Financial Officer	4 x 1.50 days x 0.04 FTE = 0.24	4 x 1.50 days x 0.04 FTE = 0.24	4 x 3.00 days x 0.04 FTE = 0.48
Total – Regional Per Diem Days	<u>24.72</u>	<u>24.72</u>	<u>49.44</u>

An average per diem rate of \$150 has been used for estimating and budgeting purposes based on previous experience and [Name of Prime NGO]'s established policy which is consistently applied to all projects/donors.

(e) In-Country Air Travel (RT)

It is anticipated that the following in-country air travel to the various project sites will be needed:

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Program Manager/ Deputy Program Manager (1 RT/mo x 12 mo)	6.00	6.00	12.00
Program Officer (1 RT/qtr x 4 qtrs)	2.00	2.00	4.00
Medical Officer (1 RT/mo x 12 mo)	12.00	0.00	12.00
Wat/San Officer (1 RT/mo x 12 mo)	0.00	12.00	12.00
Project Accountant (1 RT/qtr x 4 qtrs)	2.00	2.00	4.00
Project Coordinator (HQ) (1 RT)	0.50	0.50	1.00
Protection/Security Specialist (1 RT)	0.50	0.50	1.00
M&E Specialist (1 RT)	0.50	0.50	1.00
Doctors (2 x 3 RT)	6.00	0.00	6.00
Hydrologist (2 RT)	<u>0.00</u>	<u>2.00</u>	<u>2.00</u>
Total – In-Country Air Travel	<u>29.50</u>	<u>25.50</u>	<u>55.00</u>

An average RT airfare of \$300 has been used for estimating and budgeting purposes based on quoted airfares.

(f) In-Country Ground Travel (km)

It is anticipated that the following in-country ground transportation will also be needed:

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Nurses (5 Nurses x 12 mo x 1,600 km/mo)	96,000	00	96,000
Wat/San Engineer (4 Engineers x 12 mo x 2,000 km/mo)	96,000	00	96,000
Logistics Specialist (4 mo x 1,000 km/mo)	<u>2,000</u>	<u>2,000</u>	<u>4,000</u>
Total – In-Country Ground Transportation (km)	<u>98,000</u>	<u>98,000</u>	<u>196,000</u>

A rate of x 40¢/km has been used for estimating and budgeting purposes in accordance with [Name of Prime NGO]'s established policy which is consistently applied to all donor/programs.

(g) In-Country Per Diem (Days)

In conjunction with the in-country air travel and ground transportation, the following number of in-country per diem days is anticipated:

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Program Manager/ Deputy Program Manager (1 RT/mo x 5 days/RT x 12 mo)	30.00	30.00	60.00
Program Officer (1 RT/qtr x 5 days/RT x 4 qtrs)	10.00	10.00	20.00
Medical Officer (1 RT/mo x 5 days/RT x 12 mo)	60.00	00.00	60.00
Wat/San Officer (1 RT/mo x 5 days/RT x 12 mo)	00.00	60.00	60.00
Project Accountant (1 RT/qtr x 5 days/RT x 4 qtrs)	10.00	10.00	20.00
Project Coordinator (HQ) (1 RT x 26 days/RT)	13.00	13.00	26.00
Protection/Security Specialist (1 RT x 26 days/RT)	13.00	13.00	26.00
M&E Specialist (1 RT x 14 days/RT)	7.00	7.00	14.00
Doctors (2 x 3 RT x 26 days/RT)	156.00	00	156.00
Hydrologist (2 RT x 26 days/RT)	00	52.00	52.00
Nurses (5 Nurses x 12 mo x 14 days/mo)	840.00	00	840.00
Wat/San Engineer (4 Engineers x 12 mo x 14 days/mo)	0.00	672.00	672.00
Logistics Specialist (4 mo x 14 days/mo)	<u>28.00</u>	<u>28.00</u>	<u>56.00</u>
Total – In-Country Per Diem Days	<u>1,153.00</u>	<u>881.00</u>	<u>2,034.00</u>

An average per diem rate of \$50 has been used for estimating and budgeting purposed based on previous experience and [Name of Prime NGO] established policy, which is consistently applied to all projects/donors.

(h) Transport of Goods

It is anticipated that 30 days of truck rental will be required for each objective to transport people and program supplies (see paragraph 6 below).

	<u>Obj #1 (Health)</u>	<u>Obj #2 (Wat/San)</u>	<u>Total</u>
Truck Rental (Days)	30	30	60

An average rate of \$200/day has been used for estimating and budgeting purposes based on past experience.

Truck Fuel (Liters)			
(30 days x 200 km/day ÷ 6 km/l)	1,000	1,000	2,000

An average rate of 60¢/liter has been used for estimating and budgeting purposes based on past experience.

An average rate of \$25/day (x 30/objective) has been used for estimating and budgeting purposes based on previous experience.

5. Overseas Allowances

(a) Housing

Housing costs of \$2,000 per month are budgeted for long-term expatriate personnel overseas. This amount is based on existing leases.

(b) Danger Pay

Danger pay is budgeted at 15% of expatriate field salaries, and is in accordance with [Name of Prime NGO]'s established organizational policy, which is consistently applied to all donors/programs. Danger pay applied to the value of the two doctors' donated services is classified as cost-sharing.

6. Program Supplies

(a) Pharmaceuticals (Objective #1 – Health)

See separate pharmaceutical list elsewhere in the proposal. ABC Pharmaceuticals, Inc., will donate an additional \$50,000 of medicines as an in-kind contribution.

(b) Medical Supplies (Objective #1 – Health)

Based on previous experience, the recurring costs of expendable medical supplies are estimated at \$500 per month, as follows:

Bandages:	20 boxes @ \$5/box	=	\$100
Gloves:	20 Boxes @ \$10/box	=	200
Syringes:	10 Boxes @ \$10/box	=	100
Antiseptics:	10 Liters @ \$10/liter	=	<u>100</u>
Total			<u>\$500</u>

(c) Medical Equipment (Objective #1 – Health)

Based on prior experience, the recurring costs of expendable medical equipment are estimated at \$300 per month, as follows:

X-Ray Film:	10 boxes @ \$15	=	\$150
Sutures/Forceps, Etc.:	6 boxes @ 25	=	<u>150</u>
Total			<u>\$300</u>

(d) Construction Materials (Objective #2 – Wat/San)

Based on prior experience, the costs of site preparation and construction/rehabilitation/renovation of latrines and boreholes are estimated as follows:

Stone/Sand:	20 latrines @ \$1,000	=	\$20,000
	4 boreholes @ \$1,250	=	3,000
Lumber:	20 latrines @ 500	=	10,000
	4 boreholes @ \$500	=	2,000
Cement:	20 latrines @ \$500	=	10,000
	4 boreholes @ \$500	=	2,000
Plumbing:	4 boreholes @ \$1,000	=	<u>3,000</u>
Total			<u>\$50,000</u>

(e) Water Purification Supplies (Objective #2 – Wat/San)

Based on prior experience, the recurring costs of expendable water purification supplies are estimated at \$200 per month, as follows:

Filters:	4 boreholes x 12 mo x 1 box filters/mo x \$2/box	=	\$ 96
Chemicals:	4 boreholes x 1 liter x12 mo x \$26//	=	<u>104</u>
Total			<u>\$200</u>

7. Other Direct Costs (ODCs)

Based on prior cost experience and the goals and objectives of the program, it is anticipated that the following ODCs will be needed, allocated equally to each objective:

(a)	Office Rent (12 mo @ \$1,000/mo)	=	\$12,000
(b)	Office Supplies (12 mo @ 200)	=	2,400
(c)	Office Utilities (12 mo @ 300)	=	3,600
(d)	Communications (12 mo \$500)	=	6,000
(e)	Warehouse Rent (12 mo @ 200)	=	2,400
(f)	Security (12 mo @ 250)	=	3,000
(g)	Vehicle Fuel (3 x 1,500 km/mo x 12 mo = 54,000 km ÷ 10 km// = 5,400/ x 60¢//)	=	3,240

1 Vehicle purchased with private funds and owned by [Name of Prime NGO] will be dedicated to Objective #1 (Health). All costs associated with this vehicle are provided as an in-kind cost-sharing contribution. This vehicle will be dedicated to Objective #1 (Health). One each of the other two vehicles (see paragraph 12 below) will be dedicated to each objective.

(h) Vehicle Depreciation = 10,000

Depreciation costs for the cost-shared vehicle under Objective #1 (Health) will be charged as a cost-sharing contribution in accordance with OMB Circular A-122, pursuant to which, the annual amount of depreciation that may be charged is calculated by dividing the purchase price by the estimated useful life. The vehicle was purchased by [Name of Prime NGO] one year ago at a price of \$30,000, and the estimated useful life of vehicles under [Name of Prime NGO]'s established accounting practices is 3 years. Thus, depreciation is calculated as follows:

<u>Purchase Price</u>	÷	<u>Estimated Useful Life</u>	=	
<u>Depreciation/Year</u>				
\$30,000	÷	3 Years	=	\$10,000

(i) Vehicle Maintenance & Spares

3 x 200/mo x 12 mo = 7,200

Maintenance and spares for 1 Vehicle will be cost-shared under Objective #1 (Health)

(j) Vehicle Insurance

3 x 300/mo x 12 mo = 10,800

Insurance for 1 Vehicle will be cost-shared under Objective #1 (Health)

8. Staff Training

It is anticipated that the following local staff will require training in the region, as follows:

Deputy Project Manager – 1 Leadership Skills Course (equally allocated between each objective)

1 RT (Regional) @ \$500	=	\$ 500
5 days per diem Regional @ 150	=	750
Registration Fee 1 \$ \$250	=	<u>250</u>
		<u>\$1,500</u>

5 Nurses – Community Therapeutic Care (CTC) Training of Trainers (Objective #1 – Health)

5 x 1 RT (Regional) @ \$500	=	\$ 2,500
5 x 5 days per diem (Regional) @ \$150	=	3,750

Registration Fee 5 @ \$250	=	<u>1,250</u>
		<u>\$ 7,500</u>

4 Wat/San Engineers – Hygiene Course (Objective #2 – Wat/San)

4 x 1 RT (Regional) @ 500	=	\$ 2,000
4 x 5 days per diem (Regional) @ \$150	=	3,000
Registration Fee 4 @ \$250	=	<u>1,000</u>
		<u>\$ 6,000</u>

Total – Staff Training		<u>\$15,000</u>
------------------------	--	-----------------

9. USAID Branding and Marking Costs

- There are 2 project sites, each with 1 gate. A sign will be erected at each gate to acknowledge USAID’s assistance. Each sign is expected to cost \$100 based on previous experience. These costs will be evenly allocated between both objectives.
- There will be 2 USAID-funded project vehicles (1 for each objective). A large label will be affixed to each vehicle. Each large label is anticipated to cost \$50 based on supplier quotes.
- There will be one project office, to which a sign will be affixed. The sign is expected to cost \$100 based on previous experience, and the costs will be evenly allocated between both objectives.
- There are anticipated to be 20 pieces of office equipment, to each of which a small label will be affixed. Each label is expected to cost 50¢ based on supplier quotes. The costs will be allocated equally between both objectives.
- There will be 1 warehouse, in front of which a sign will be erected. The sign is expected to cost \$100 based on previous experience, and the cost will be allocated equally between both objectives.
- There are expected to be 100 boxes of pharmaceuticals (USAID-funded only), to which a small label will be affixed. Each label is expected to cost 50¢ based on supplier quotes, and the costs will be allocated to Objective #1 (Health).
- There are expected to be 60 boxes of medical supplies, to which a small label will be affixed. Each label is expected to cost 50¢ based on supplier quotes, and the costs will be allocated to Objective #1 (Health).
- There are expected to be 16 boxes of medical equipment, to which a small label will be affixed. Each label is expected to cost 50¢ based on supplier quotes, and the costs will be allocated to Objective #1 (Health).
- A Presumptive Exception has been requested for marking each individual latrine because USAID marking requirements would offend local cultural or social norms and be considered inappropriate. However, 1 sign will be erected at the site of the latrines, at an estimated

cost of \$100 based on previous experience. The costs will be allocated to Objective #2 (Wat/San).

- There are expected to be 96 containers of water purification chemicals, to which a small label will be affixed. Each label is expected to cost 50¢ based on supplier quotes, and the costs will be allocated to Objective #2 (Wat/San).
- 1 sign will be erected at the borehole site at an estimated cost of \$100 based on previous experience. The costs will be allocated to Objective #2 (Wat/San).

10. Contractual/Sub-Awards

- There will be one subcontract with a local firm to drill 4 boreholes at a fixed price estimated to be \$10,000/borehole based on prior experience. The subcontract will be awarded competitively. The costs will be allocated to Objective #2 (Wat/San).
- There will be a sub-grant amendment with [Local NGO Sub-Partner Name], [Name of Prime NGO]'s incumbent partner, to provide training to the project beneficiaries. See attached detailed sub-grantee budget and budget narrative. The costs are equal for each objective.
- A pool of funds in the amount of \$10,000 will be created to support small community projects under Objective #1 (Health). Small sub-grants (estimated to be 20 small sub-grants @ \$500) will be awarded to local community groups to support health improvement. The community groups will be selected competitively after award, making it impossible to provide any budgetary detail at this time. As required by the terms of the award, OFDA's concurrence with these small sub-grants will be obtained.

11. Indirect Costs

In accordance with [Name of Prime NGO]'s current NICRA dated June 20, 2006, indirect costs are budgeted at 15.00% of Total Direct Costs excluding equipment and that portion of subcontracts/subgrants in excess of \$25,000 each.

12. Equipment

OFDA is requested to fund the purchase of 2 vehicles at an estimated unit cost of \$30,000. For the reasons described in the "Restricted Goods" section of the proposal, it is anticipated that non-US vehicles will be required. Competition will be used in purchasing the vehicles.

13. OMB Circular A-133 Audits

In accordance with [Name of Prime NGO]'s current NICRA dated June 20, 2006, A-133 audit costs are recovered indirectly by applying 0.85% (.0085) to all costs subject to A-133 audits (*i.e.*, all of the above costs).

14. Pipeline Analysis

A pipeline analysis has been included. It consists of unexpended USAID funds at the end of the current period, plus a cost-sharing shortfall (which, in accordance with the standard provision

entitled “Cost-Sharing [Matching],” serves to reduce future OFDA funding), both of which have been applied to the budget in order to reduce the amount of new OFDA funds required.

16. Program Income

Name of Prime NGO] expects to charge patient fees (cost recovery) under Objective #1 (Health), which will be treated as additive program income and used for project purposes. The fees will vary by each patient’s ability to pay and, therefore, is impossible to pre-estimate with any precision. The budget includes an estimated based on past experience.

17. Unallowable Host Country Taxes

Under OMB Circular A-122, host country taxes are only allowable if an organization is not exempt from host country taxation. Under the terms of USG/host government agreements, [Name of Prime NGO] is eligible for exemption. However, the process for actually obtaining an exemption is quite burdensome and is not believed to be worthwhile or cost-effective. Thus, [Prime NGO name] will absorb these host country taxes. In the budget, they are reflected “below the line” because, under the definition of “cost-sharing,” unallowable costs are not eligible for satisfying cost-sharing requirements.